

National Film and Television School (The)

Report and Financial Statements

Year Ended

31 December 2013

Company number 981908



National Film and Television School (The)

Report and financial statements for the year ended 31 December 2013

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Governors, offices and advisers

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Reference and administrative details

Governors

* Patrick McKenna (Chairman)	Duncan Kenworthy OBE
* Stephen Louis (Deputy Chairman)	Donna Taberer
Floella Benjamin OBE	Steve Mertz
* Tom Betts	David Sproxton CBE
Peter Barron	Phil Harrison
Simon Relph CBE	Sophie Turner-Laing
Piers Wenger	Colin Young (Honorary)
Susan Moffat	Michael Hamlyn
Alan Cummings	

Management Team

Nik Powell (Director)	Jon Wardle
Eamon Sullivan	Jon Houchin
Dominique Cadiou	Simon Mallin

*indicates members of the Finance and General Purposes Committee.

Secretary and registered office

Eamon Sullivan, Beaconsfield Film Studios, Station Road, Beaconsfield, Bucks HP9 1LG
www.nfts.co.uk

National Film and Television School (The)

Annual report and financial statements
for the year ended 31 December 2013 (*continued*)

Reference and administrative details (*continued*)

Company number

981908

Charity number

313429

Auditors

BDO LLP, 2nd Floor, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers

Lloyds TSB Bank PLC, London & South East, Third Floor, 4/6 Copthall Avenue, London EC2R 7DA

Insurance brokers

Willis Limited, St.Catherine's Court, Berkeley Place, Bristol, BS8 1BQ

Solicitors

Mills & Reeve Solicitors, Francis House, 112 Hills Road, Cambridge CB2 1PH

Investment advisors

Investec Wealth & Investment Limited, 2 Gresham Street, London EC2V 7QH

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

The governors (who are all trustees of the charity) present their strategic report together with the financial statements for the year ended 31 December 2013.

Governance and internal control – Statement of Governors' Responsibilities

The governors are responsible for preparing the strategic report, the report of the governors and the financial statements in accordance with Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The governors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The governors are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the governors. The governors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Governors' confirmation

The governors confirm that the financial statements comply with current statutory requirements and with the requirements of the charity's governing document.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a corporate plan and an annual budget approved by the governors;
- regular consideration by the governors of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties; and
- identification and management of risks.

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Governors' confirmation (continued)

The governors examine the major risks that the company faces each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on the company in the future. The major risks that the National Film and Television School ('the School') is exposed to are financial risks (funding) and operational risks (health and safety). Systems are in place to continually review and manage these risks. The School has regular meetings with all major funders and constantly reviews and upgrades its health and safety controls and procedures.

The Board of Governors meets at least four times a year and reviews a report from the director; students and staff representatives attend by invitation. The Finance and General Purposes Committee, which also acts as the Audit Committee, also meets four times a year and reviews the annual plan, the three-year corporate plan and updated financial estimates. The committee as the Audit Committee reviews external audit management letters.

Day to day operational decisions are taken by the Director supported by a Management Team, within the delegated authority conferred by the Board.

Objectives and activities

The main objective of the year was to maintain and develop the world class education and training of all the students and to secure and enhance the funding in order to achieve this objective.

Charitable objects

The charitable objects of the School are to:

- promote and provide for the advancement of education of the public and in this connection to carry on a School in Great Britain for the education and training of persons concerned in the making of films, television and new media;
- provide instruction in the art and science of making cinematograph and other films;
- provide instruction in the art and science of making programmes for television; and
- provide instruction in the art and science of new media.

The School's mission statement is:

"to educate the best creative talent to the highest professional standard for tomorrow's screen media industries"

The School, a Skillset Screen and Media Academy is the UK's national centre of excellence for education in Film and Television programme making. The students learn their craft in purpose built studios that include two film stages, a separate large TV studio and post production facilities rivalling those of many professional companies.

The School also provides a Bridges to Industry programme whereby students are provided with an opportunity to work on development deals with a number of broadcasters and independent production companies. The School also arranges screenings and master classes for the UK industry and distributes many student films to festivals and major competitions across the globe.

Main activities, achievements and performance highlights for 2013

Chairman's foreword

As the newly appointed Chairman of the National Film and Television School I have been astonished by the ability and skills of its graduates, as well as impressed with the level of involvement the School through its alumni has in the UK Creative Industries. It therefore gives me great pleasure that my chairmanship has come at such an exciting time for both the Creative Industries and the School.

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Chairman's foreword (continued)

One of this year's Honorary Fellowship recipients, Paul Greengrass, commented at the opening of the London Film Festival that 'The British Film Industry has never been better', this year films with NFTS graduates' involvement have grossed over \$9bn at the worldwide box-office with successes ranging from Iron Man 3 to Saving Mr. Banks, Gravity to Captain Phillips - it's this kind of continued success which makes the School not only a centre of excellence but a cornerstone of the Creative Industries.

I am therefore pleased to say that the School has received pledges of £2.1m of investment from NFTS Co-funder BFI/Skillset towards our NFTS Digital Village Phase 2 Capital Development and a further £5m from the NFTS co-funder the Department of Media, Culture and Sport, a mark I believe of the UK government's commitment to both the level of training offered at the School and our common goal to ensure that we continue to develop the next generation of talent and high level skilled workforce for the Creative Industries.

Governor's report and highlights for 2013

This year has been a game changing one for the School with our alumni and recent graduates breaking all records by securing Oscar nominations; beating BAFTA records; winning at Cannes; dominating the Griersons and becoming the first film school in history to win all three CILECT awards in one year – the film school equivalent of the Oscars!

In February 2013 we secured an Oscar nomination with Head Over Heels and then became the first film school to win the inaugural Annie Award for Best Student Film! We then followed that by winning the Student Academy Award for graduation film Miss Todd – our sixth win – more than any other film school in the world!

Recent graduates Paul Wright, Anthony Chen and Mahdi Fleifel have dominated the festival and award circuits with their first films, winning the Camera d'Or, Edinburgh International Film Festival, The Sutherland Award, Four Golden Horse Awards, The Scottish BAFTA for Best Film and the BIFA for Best New Director.

In the last twelve months our graduates have also broken our BAFTA records, securing 35 nominations from Best Short Film for graduation film Sleeping with the Fishes to Cinematography for Skyfall. In all our graduates have now achieved an astonishing 310 BAFTA nominations and 102 wins!

It's no wonder then that The Observer named us 'The Best Film School In The World'.

Record breaking year for awards

- Head Over Heels received an Oscar Nomination in 2013 for Best Animated Short Film.
- Miss Todd won the Student Academy Award – our 6th win (more than any other international film school) and we produced the first Animation in history to win in this category.
- Sleeping With The Fishes received a BAFTA nomination this year for Best British Animated Short.
- Head Over Heels won the Cartoon d'Or.
- The NFTS won all three CILECT Awards – the first time a film school has won all three in a single year (Fiction – Mass of Men, Documentary – After, Animation – Head Over Heels).
- The NFTS won all four RTS Awards (Fiction – Mass of Men, Documentary – The Betrayal, Television – Newton's Law, Animation – Head Over Heels).
- Graduation film Z1 won at the BIFAs.
- Sodiq won at the Grierson Awards.
- Boys won at the Sheffield International Documentary Festival (our 3rd win in four years).
- Anything You Can Do and Killer Moves won at the New York Television Festival.
- We had 114 graduate credits on Oscar and BAFTA nominated films.
- NFTS graduate Roger Deakins was nominated for Best Cinematography, his 11th nomination.
- NFTS graduate Anthony Chen soared to success with his debut film Ilo, Ilo, winning Four Golden Horse Awards – The Asian equivalent of the Oscars.
- Ilo, Ilo also won the Camera d'Or at Cannes and the Sutherland Award at the London Film Festival.
- Including Sodiq, NFTS Graduates won 3 Grierson Awards this year including the critically acclaimed 'The Year The Town Hall Shrank'.

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Record breaking year for awards (continued)

- Paul Wright won Best Film at the Scottish BAFTAs for his film *For Those In Peril*, he then went on to win Best Debut Director at the BIFAs.
- NFTS graduate Ula Pontikos won Best International Cinematography at Sundance.

Masterclasses and Bridges to Industry

In 2013, NFTS students benefitted from eight Bridges to Industry opportunities; 22 Masterclasses with BAFTA and Oscar winning producers and directors; 46 external events including Q&As with Oscar-winning actors and film makers organised by BAFTA, the BFI and the ICA - and 65 Cinema Club film screenings.

Students were privileged to hear from among others: Oscar and BAFTA winning director Bernardo Bertolucci (*The Last Emperor*, winner of 9 Oscars); writer-director Guillermo del Toro (*Pan's Labyrinth*); multi BAFTA winning writer Graham Linehan (*Father Ted*); James Ivory whose films with Ismail Merchant include the 6 Oscar winning *A Room with a View*; Oscar winning cinematographer of *Ghandi*, Billy Williams BSC; writer-director Edgar Wright (*Shaun of the Dead*); producer Jeremy Thomas (*Sexy Beast*); director Rian Johnson (*Looper*); German New Wave cinema master Wim Wenders (*Paris, Texas*); Oscar winning screenwriter Simon Beaufoy (*Slumdog Millionaire*); Doctor Who and Sherlock writer Steven Moffat with *Sherlock* and *Vicar of Dibley* producer Sue Vertue and double BAFTA winning, triple Oscar nominated director Alfonso Cuaron with his latest film, *Gravity* – nominated for 11 BAFTAs and 10 Oscars.

Specialist genre days provide students with insights into working in particular areas of the industry. A recent Fantasy Day held at Channel 4 featured, among others, *Game of Thrones* Production Designer Gemma Jackson, *Merlin* and *Doctor Who* director Jeremy Webb, *Torchwood* Composer, NFTS graduate, Ben Foster and Tom Green, NFTS graduate, director of the forthcoming *Monsters: Dark Continent*. A Commercials Day, with speakers including top Commercials director Dougal Wilson, helps prepare students for the Kodak Commercials Competition.

Activity: Two year MA Courses - 2013/2014

The School runs more behind the camera courses than any other film school in the world. Currently there are thirteen two-year Masters programmes and seven diploma courses. 2013 saw the school substantially develop and grow its diploma portfolio. The diploma courses were also reoriented to ensure that where ever possible major television or film companies partnered with the school on course delivery.

2013 also saw the School launch a new qualification type – three-month certificates in sub Head of Department craft and production team roles. Our first course of this type is a Character Animation certificate course with Aardman Animations.

All the MA courses are subject to the Royal College of Arts Annual Review and Course Evaluation by the Academic Standards Committee. In addition, every course has an Industry Advisory Panel who meet once a year to look at the course and discuss how it should be developed in the light of industry developments.

- | | | |
|----|---|--|
| 1 | - | Animation Direction |
| 2 | - | Cinematography |
| 3 | - | Composing for Film & Television |
| 4 | - | Documentary Direction |
| 5 | - | Editing |
| 6 | - | Fiction Direction |
| 7 | - | Producing |
| 8 | - | Producing & Directing TV Entertainment |
| 9 | - | Production Design |
| 10 | - | Screenwriting |
| 11 | - | Sound Design |
| 12 | - | Digital Effects |
| 13 | - | Games Design and Development |

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Activity: One Year to 18 Month Diploma Courses – 2013/2014

- | | | |
|---|---|---|
| 1 | - | Sound Recording for Film & Television (in partnership with the BBC) |
| 2 | - | Production Management - Film & TV |
| 3 | - | Script Development (part-time) |
| 4 | - | Entrepreneurial Producing for the Creative Industries (EPCRI) (in partnership with Ingenious Media) |
| 5 | - | Broadcast Production (in partnership with Sky) |
| 6 | - | Writing and Producing Comedy (part time) – new 2014 (in partnership with Channel 4) |
| 7 | - | Factual Development and Production (part time) – new 2014 (in partnership with Discovery) |

Short courses

Short Courses ran a number of bespoke courses during 2013 including Interviewing Skills for the Telegraph Media Group, Movie Magic Scheduling and Budgeting for Fact Not Fiction, and Sound Recording for Antarctic Expeditions for DOX Productions.

The Production Management diploma – which is a full time programme – was moved outside of Short Courses at the end of 2013 in order to enable the team to focus on growing its continuing professional development portfolio.

In 2013 Short Courses delivered 55 courses, and trained nearly 400 people.

The focus for the team will be on continuing to deliver and expand on this short course offering, and to deliver the new, exciting Diploma and Certificate courses launched with broadcasters in 2013. In July 2013 the School launched the UK's first industry recognised comedy course in partnership with C4, followed by a new Factual Development and Production Diploma in partnership with Discovery. Both courses went live for applications in Autumn 2013, and delivery for these, and other diplomas/certificates begins in January 2014 under the Short Courses umbrella.

Short Courses debuted a new course, Writing the Pilot led by Peter Ansorge, which ran twice in 2013. Michael Grade came in as a special guest for this, and was able to give participants one to one feedback on their pilots. Other new additions to the Short Course stable include Visual Storytelling, Shooting Documentary, Interviews and Directing the Documentary. These courses all ran at full capacity.

Curriculum, recruitment and access

Total student applications during 2013 for courses starting in 2014 were up 17% on the previous year reflecting the School's recent award success, improved digital marketing and renewed Open Day and course communication activity.

Thanks to the enormous amount of donor and key partner funder support the School provides a significant amount of financial support for all UK students in terms of bursaries and scholarships this ensures that the most talented students can attend the School regardless of background.

Application statistics for 2013 show 53% (45% last year) applicants were from UK, 33% (40%) from EU and 14% (15%) from Overseas. Male / Female applicant percentages at 64 % / 36% were in line with previous years.

Following the rigorous selection process, which includes industry professionals, 110 (107 last year) applicants were offered a place on the MA programme with a further 8 on the Sound Recording diploma and 11 on the Production Management Diploma course. Of the successful entrants for 2013, 63% (58% last year) were UK, 22% (34%) EU and 15% (8%) from overseas while 59% of entrants were male and 41% female, statistics which are again in line with the previous year.

In February, the twelfth group of MA Film and Television graduates (100 students) were awarded their MA with a further 19 receiving Diplomas from fulltime courses and 22 receiving Diplomas from the part time Script Development course. In the Overall Assessment, 16 students were awarded an Excellent (compared with 29 in 2012), 51 a Very Good Pass and 28 a Good Pass. There were also 5 Passes.

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Financial review

Total incoming resources or gross income for the School for the year ended 31 December 2013 were £10,185k and represented a £1,408k or 16% increase on the previous year - see Statement of Financial Activities (SOFA p16).

The increase in income was mainly due to the School holding a Gala event which generated over £550k in income and a net surplus of £380k, increased support from current funders (CH4 & FDA), increased student fees from higher fees and additional courses, and £250k funding towards the Phase 2 capital development.

The School maintained its significant student financial support programme through bursaries and scholarships. The combined scholarship and bursary support for the year was £702k and an increase of £47k compared to the previous year, and this represented 25% of the total student fee income for the year. The School's bursaries are mainly funded by the BBC (£250k) while the scholarship funds are generated from over 50 individual scholarship donors. These scholarships and bursary funds are critical to enabling the most talented students to attend the School, regardless of background.

The School would like to thank all its core funders for maintaining and in some cases increasing their support for the School and its students.

Total resources expended or expenditure in the period was £10,275k, and represented a £1,127k or 12% increase on the previous year - see Statement of Financial Activities (SOFA p16)

The majority of this increased expenditure related to RPI, the costs of holding the Gala event (£180k), costs for the two new diploma courses which started in January 2013 (Entrepreneurial producing for the Creative Industries & Broadcast Production), increased Health and Safety expenditure on new storage facilities and rigging on stages, and an application to HEFCE for Higher Education Institute (HEI) designation.

Thanks to effective cost and budgetary control, all departments operated again within agreed budgets and targeted cost savings were achieved during the year. Effective cost control and the lower than expected interest payments on the loan facility (1.2%), meant that the School's net deficit for the year (before any FRS17 pension actuarial losses) was limited to a deficit of £90k which compares to a net deficit of £372k in the previous year. Note the £90k deficit includes a significant non cash depreciation charge of £696k (2012 - £727k last year).

The cash flow statement on page 19 shows that the School generated net cash flow from operating activities of £563k positive in the year, after capital expenditure and loan repayments the net decrease in cash for the year was £202k (2012 - £248k). The cash balance at 31 December 2013 was £1.2m (2012 - £1.4m) and mainly related to the early collection of student fees for courses starting in January 2014.

The School's reported Net Movement in Funds for the year was a deficit of £446k - this is after taking account of an increase in the FRS17 Pension Deficit valuation and an actuarial loss of £356k. The revised FRS17 pension deficit is now at £2,862k.

The balance sheet on page 18 shows the School's net assets as £8,340k on 31 December 2013 compared to £8,787k at 31 December 2012.

The School's operating results are monitored and controlled by monthly management accounts and a rolling 5 Year Financial Plan that reflects the normal income streams and expenditure levels at the School. In addition, the School's four KPIs of efficiency (cost per student), quality (3rd party assessments) industry recognition (awards and film credits) and graduate employment statistics are closely monitored and reviewed on a regular basis.

The School's results more than meet the financial covenants on the Allied Irish Banks (GB) loan.

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Pension deficit - funding valuation

The FRS 17 pension deficit valuation is prepared by the School's actuaries First Actuarial plc and audited as part of the financial statements. The FRS 17 Pension Valuation at 31 December 2013 was a deficit of £2,862k and represented a net increase in deficit of £208k during the year (see note 9).

The defined final salary scheme was closed to accrual from 1 September 2006. The School had a Pension Deficit Funding Agreement commitment to pay £173k pa indexed linked for 15 years to clear the Pension Deficit Funding Valuation of £2.1m as at 1 April 2005. This Pension Deficit Funding Valuation is reviewed every 3 years and it increased to £2.6m at 1 April 2008 and then £2.8m at 1 April 2011. The Pension Trustees and the School have agreed a new Recovery Plan which is to maintain the current level of annual deficit funding (£203k pa indexed linked) but to stretch these payments over 16 years to 2028. The Pension Regulator has agreed to this new Pension Deficit Funding Agreement.

The School has made over £1m in pension deficit payments in the 6 years to April 2011 and the deficit still stands at £2.9m.

Fixed assets

Investments in fixed assets in the year were £575k and mainly related to technical equipment purchases and further investment in health and safety resources. Total net book value of fixed assets at 31 December 2013 was £12.4M and represented a decrease of £121k during the year. Land and buildings were revalued in 2009 on an existing use basis resulting in a revaluation gain of £2.3m. Further details are provided in note 12 "Tangible Assets" to the financial statements, see page 30 for further details.

Building funding and loan facility

The new teaching block (Phase 1) was opened in January 2008 and was mainly funded by the School's own resources, the sale of the Short Course unit site, together with the generous support of the NFTS Foundation, The David Lean Foundation and the numerous donors and sponsors who contributed to the "Flash Forward" and GB Movie Event. The balance of the funding was secured by arranging a long term loan facility (17 years) in March 2007 with Allied Irish Banks (GB). This required the NFTS to register a fixed charge on its freehold land and buildings as security for this loan facility. The loan balance at 31 December 2013 was £1,610k, having being reduced by £157k in loan repayments during the year. The interest rate charged on the loan during the year was 1.2%.

Fundraising

Fundraising activities during 2013 concentrated on the Gala Event, new scholarships and funding for the Digital Village Phase 2 (private funding).

The 2013 Gala was a celebration of the work and life of our Patron, Lord Attenborough. The event, sponsored by Ingenious Media and Virgin Atlantic raised £350,000 for the School through the sale of tables and bids to both the silent and live auctions. Donations to the value of £36,800 were made towards the NFTS Lord Attenborough Charitable Fund which will go towards supporting the development of the School.

New scholarships confirmed during the year included the new three year project grant for £100,000 a year from the Leverhulme Arts Scholarships programme; a two-year scholarship of £10,800 a year from Zodiak Media Group; Warner Bros. with a £10,000 Creative Talent scholarship plus a further two £10,000 annual scholarships through the Prince William Scholarships in Film, Television and Games, supported by BAFTA and Warner Bros. The Harold Hyam Wingate Foundation agreed to a two-year scholarship of £10,800 a year and Sargent Disc agreed to give £6,500 a year for two years.

Fundraising from private sources for Digital Village Phase 2 started at the beginning of 2013. Garfield Weston gave £250,000 and we have applications in progress with a number of other foundations.

National Film and Television School (The)

Strategic report for the year ended 31 December 2013

Creative skillset

In recent years substantial new support has been obtained from the UK Film Council (now merged within the BFI) via the Skills Investment Fund administered by Skillset for new courses and activities. Skillset continued to help fund the School's operations in 2013 through the Course Enhancement and Outreach and Diversity contract. These agreements commit Skillset's support for the School up to March 2014. The Skillset monies are core funding for the School and management expects these monies to be renewed at the expiry of the existing contract in March 2014.

Future plans and outlook

The future plans for the School are in three areas:

- To sustain what we do already do - 2013 and the beginning of 2014 have been, as set out above, extraordinary in terms of student and graduate achievements if measured by awards and the work they have done - particularly recent graduates. The School's first priority must be to sustain that achievement which will be no mean feat! This will mean maintaining the School's world class education, training and global competitiveness as (according to the Observer newspaper) the No.1 film school in the world. This will also mean keeping the School accessible to all UK talent whatever their background by continuing to enhance the School's bursary and scholarship support; as well as maintaining and developing current key partner and funders' support and explore new and more diverse funding streams for the School.
- To expand the School's education offering in terms of launching new courses. In 2013/14 the School launched six new or rebranded courses with Industry. The School plans to add to these in a conservative manner each year until the completion of Phase 2 (see below). These courses will be mostly run off campus with industry partners and address some of the high level skills needs of the Creative Industries. The School will continue to make Short Courses the premier provider of quality relevant short courses to the media industries while continuing to focus on delivering a Health & Safety regime at the School that is second to none.
- To deliver The NFTS Digital Village Phase 2 on budget and schedule. The School has already raised more than half of the £14m budget and completed its outline plans for Phase 2 of The NFTS Digital Village project. This long overdue redevelopment of the School site will expand the School's capacity to provide additional courses and student numbers and make the School more competitive without any government funding. This development will help the School provide maximum value to all stakeholders, government, industry, partners, funders, donors, students and all patrons.

The Outlook for the School while still fragile is better than for many years:

- The demand for places at the School remains at an all time high.
- The reputation of the School resulting from the success of the work of its students and graduates is also at an all time high.
- The School has been designated by BIS as an official Higher Education Institution giving the School access for the first time in its history to the support of HEFCE (Higher Education Funding Council for England).
- The School has successfully expanded the number of courses and students despite public funding cuts.
- The School has successfully raised half of the funds for Phase 2 of the NFTS Digital Village project meaning that it is likely that the project will go ahead.
- The School continues to accept many British students from disadvantaged backgrounds and continues to widen access to its provision.

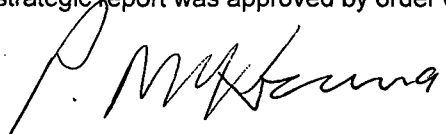
However the School will remain in a fragile funding situation as it has done for its first 40 years at least until the completion of Phase 2 of the Digital Village Project.

National Film and Television School (The)

Strategic report
for the year ended 31 December 2013

Approval

This strategic report was approved by order of the Board on 11 July 2014



Patrick McKenna

Chairman

National Film and Television School (The)

Report of the governors for the year ended 31 December 2013

Governors

The governors of the School during the year were:

Peter Barron	* Stephen Louis	Susan Vertue (Moffat)
Floella Benjamin OBE	Steve Mertz	Piers Wenger (appointed 27.03.14)
* Tom Betts	* Patrick McKenna (appointed 24.09.13)	Colin Young (Honorary)
Dan Brooke (resigned 27.03.14)	Simon Relph CBE	
Alan Cummings	* Simon Shaps (resigned 24.09.13)	
Michael Hamlyn	David Sproxton CBE	
Phil Harrison	Sophie Turner-Laing	
Duncan Kenworthy OBE	Donna Taberer	

*indicates members of the Finance and General Purposes Committee.

The governors, who are also trustees of the charity and directors of the company for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2013. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005 in preparing the annual report and financial statements.

Structure, governance and management

Organisation and decision making structure

The School is a company limited by guarantee, which was incorporated on 5 June 1970. The School is governed by a Memorandum and Articles of Association. It has no share capital and is a registered charity. The guarantee of each member is limited to £1. The School has a funding agreement with the Department for Culture Media and Sport (DCMS) and this represents the main funding stream of the School. Post the October 2013 Spending Review, the DCMS funding agreement has been renewed until 2015/16.

Board composition

The governance of the School is the responsibility of the Board of Governors. Governors are appointed for an initial term of 3 years, which can be renewed at the end of their term.

Governors are formally appointed by majority vote at the quarterly board meetings. Every new Governor is given an induction pack on the School which includes information on the structure, governance and management of the School and the responsibilities of the Governors and the Schools Management Team. Governors are also provided with relevant Charity Commission updates on the responsibilities of trustees.

Governor induction and training

Each member of the Board undertakes induction training, consisting of a briefing by the Executive Management Team and Heads of Departments on their activities. They are furnished with a comprehensive range of information and literature, for future reference. Emphasis is placed on the legal status of a Trustee and the position and responsibilities as a director of the Company.

Relationships between the School and related parties

The School places great significance on its external relations and in particular the relationship with the film, television and new media industries. The Board of Governors are mainly appointed from these industries, whose generous financial contributions to the School are set out in the notes to the financial statements.

National Film and Television School (The)

Report of the governors for the year ended 31 December 2013

Structure, governance and management *(continued)*

Industry funding since the ending of the Eady levy in 1985, and the post Eady settlement in 1990 together with the DCMS has been essential for the School's continued operation and development. The governors are hugely grateful for the significant amount of voluntary and discounted support from organisations and individuals in the film, television and new media industries, including all key partner sponsors and funders.

The NFTS Foundation is a charity connected with the School. The NFTS Foundation seeks to promote the charitable purposes of the School by donations of student scholarships and grants from its investment funds. By mutual agreement all costs associated with fundraising activities of the NFTS Foundation are borne by the School.

Subsidiary undertakings

The School owns 100% of NFTS Enterprises Limited, which was dormant for the year ending 31 December 2013 and has not been consolidated on the basis that it is immaterial.

Powers of investment and investment policy

Under its Memorandum of Association the School has the power to invest the monies of the School not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The School plans major curricular activities on a 3-5 year time horizon. It budgets to expend anticipated income, while retaining a prudent level of reserves. The Board's policy for investment is to retain funds designated for redevelopment as cash and near cash at the best rates available.

The School's investments are currently held as cash in a high interest bearing account with Allied Irish Bank. The interest earned in the year was £28k (2012 - £36k). The board is satisfied with the return on investment which is in line with its policy.

Public benefit

The School believes it meets the public benefits requirement as a charity. The governors are aware of their responsibilities with regards to the public benefits requirement and are conversant with the Charity Commission guidance.

Public benefit can be seen in the public access to the School's world class facilities. The School provides a significant amount of student support to talented students regardless of background in terms of bursaries and scholarships.

The School also offers many opportunities for the public to use its facilities. The School allows local charities to use the cinema and other facilities for fundraising events regularly, without charge.

Charities that have used the School's facilities in 2013 included: The Beaconsfield and Jordans Rotary Club, Scannappeal, The Mayor of Beaconsfield Charity Appeal, Christian Aid, MacMillan, The Beaconsfield Society, Iain Rennie Hospice at Home, School Aid, Beaconsfield Friends of Cancer Research UK, Gogos2Gogos.

National Film and Television School (The)

Report of the governors for the year ended 31 December 2013

Reserves policy

At 31 December 2013, the actual reserves of The National Film and Television School are as follows:

	2013	2012
Unrestricted funds - General deficit	(512,469)	(11,335)
Unrestricted funds - Designated funds	8,561,341	8,797,993
Restricted funds	291,248	-

The governors are aware of the fact that a significant proportion of the Group and School's reserves are represented by fixed assets and have accordingly considered the short term availability of funds. The fixed asset balance includes £1,293k of investments held by the School as a contingency fund and the funds would be realised should the need arise.

Employee involvement and disabled persons

The School is an equal opportunity employer and has agreed statements of policy under Section 2(3) of the Health & Safety at Work Act 1974. Regular consultation takes place with staff, students and BECTU representatives. The School follows a policy issued by the Cabinet Office on the employment of disabled people. The curriculum includes the study of equal opportunity concern, so that students and graduates have a basis for understanding the issues in their subsequent work.

Creditors payment period

The policy of the School is to pay its creditors in accordance with agreed terms. In the absence of any agreement to the contrary, it is the intention of the School to pay suppliers' invoices within 30 days following the end of the month in which the invoice is received.

Changes in fixed assets

The movements in tangible fixed assets during the year are set out in the notes to the financial statements.

Price, credit, liquidity and cash flow risk

The main price and credit risk to the School's operating income is the increase in student fees and the ability of talented students to pay these fees, this risk is addressed by the School's significant bursary and scholarship support to help these students.

Liquidity and cash flow risks from delayed sponsor and partner funding is mitigated by the early collection of student fees at the beginning of term and the School's overdraft facility.

National Film and Television School (The)

Report of the governors for the year ended 31 December 2013

Auditors

All of the current governors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The governors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

On behalf of the Board of Governors

Patrick McKenna



Chairman

Date 11 July 2014

National Film and Television School (The)

Independent auditor's report

TO THE MEMBERS OF THE NATIONAL FILM AND TELEVISION SCHOOL

We have audited the financial statements of the National Film and Television School for the year ended 31 December 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

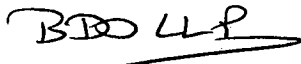
National Film and Television School (The)

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

James Aston (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Gatwick, West Sussex
United Kingdom

Date 16 July 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

National Film and Television School (The)

Statement of financial activities for the year ended 31 December 2013

	Note	Unrestricted funds 2013 £	Designated funds 2013 £	Restricted funds 2013 £	Total 2013 £	Total 2012 £
Income and expenditure account						
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Grants and donations	3	3,040,607	-	298,350	3,338,957	3,459,900
Activities for generating funds						
Fundraising events	4	511,904	-	291,248	803,152	-
Investment income	5	-	27,804	-	27,804	35,867
		<u>3,552,511</u>	<u>27,804</u>	<u>589,598</u>	<u>4,169,913</u>	<u>3,495,767</u>
Incoming resources from charitable activities:						
Operation of the School	6	3,760,699	15,827	2,113,767	5,890,293	5,151,856
Donations from NFTS Foundation	6	-	-	120,000	120,000	120,000
Other incoming resources	6	4,733	-	-	4,733	9,134
		<u>7,317,943</u>	<u>43,631</u>	<u>2,823,365</u>	<u>10,184,939</u>	<u>8,776,757</u>
Total incoming resources						
Resources expended						
Costs of generated funds:						
Costs of generating voluntary income		59,529	-	-	59,529	45,779
Fundraising costs		231,463	-	-	231,463	45,779
		<u>290,992</u>	<u>-</u>	<u>-</u>	<u>290,992</u>	<u>91,558</u>
Charitable activities						
Operation of the School	9	7,074,450	259,000	2,532,117	9,865,567	8,877,150
Governance costs	9	43,500	-	-	43,500	43,560
Other resources expended	9	-	20,418	-	20,418	22,305
Pension costs	9,22	55,000	-	-	55,000	114,000
		<u>7,463,942</u>	<u>279,418</u>	<u>2,532,117</u>	<u>10,275,477</u>	<u>9,148,573</u>
Total resources expended						

The notes on pages 20 to 42 form part of these financial statements

National Film and Television School (The)

Statement of financial activities for the year ended 31 December 2013 *(continued)*

	Note	Unrestricted funds 2013 £	Designated funds 2013 £	Restricted funds 2013 £	Total 2013 £	Total 2012 £
Income and expenditure account						
Net outgoing resources before transfers		(145,999)	(235,787)	291,248	(90,538)	(371,816)
Transfers between funds	20	865	(865)	-	-	-
Net expenditure		(145,134)	(236,652)	291,248	(90,538)	(371,816)
Actuarial loss on defined benefit pension scheme	22	(356,000)	-	-	(356,000)	(158,000)
Gains on land and buildings revaluation	20	-	-	-	-	-
Net movement in funds		(501,134)	(236,652)	291,248	(446,538)	(529,816)
Fund balances brought forward at 1 January 2013	20	(11,335)	8,797,993	-	8,786,658	9,316,474
Fund balances carried forward at 31 December 2013	20	(512,469)	8,561,341	291,248	8,340,120	8,786,658

All recognised gains and losses are included in the statement of financial activities
All amounts relate to continuing activities

The notes on pages 20 to 42 form part of these financial statements

National Film and Television School (The)

Balance sheet as at 31 December 2013

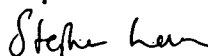
Company number 981908	Note	2013 £	2012 £
Fixed assets			
Tangible assets	12	12,368,886	12,489,880
Investments	13	1,293,033	1,265,625
Investment in subsidiary undertaking	14	2	2
		<hr/>	<hr/>
		13,661,921	13,755,507
Current assets			
Stocks	15	20,428	19,811
Debtors	16	2,132,665	2,081,230
Cash at bank and in hand		1,219,408	1,421,056
		<hr/>	<hr/>
		3,372,501	3,522,097
	17		
Creditors: amounts falling due within one year within one year		(4,334,930)	(4,151,819)
		<hr/>	<hr/>
Net current liabilities		(962,429)	(629,722)
Creditors: amounts falling due after more than one year	18	(1,497,372)	(1,685,127)
		<hr/>	<hr/>
Total net assets excluding pension scheme liability		11,202,120	11,440,658
Pension scheme liability	22	(2,862,000)	(2,654,000)
		<hr/>	<hr/>
Total net assets including pension scheme liability		8,340,120	8,786,658
The funds of the charity			
Restricted funds	20	291,248	-
Designated funds:			
- Designated revaluation reserve	20	4,722,277	4,827,277
- Designated other reserves	20	3,839,064	3,970,716
Unrestricted funds:			
General funds	20	2,349,531	2,642,665
Pension reserve	20	(2,862,000)	(2,654,000)
		<hr/>	<hr/>
Total unrestricted funds		(512,469)	(11,335)
		<hr/>	<hr/>
Total charity funds		8,340,120	8,786,658
		<hr/>	<hr/>

The financial statements were approved by the Board, authorised for issue on 16/1/14 and signed on its behalf by:

Patrick McKenna


Chairman

Stephen Louis


Governor

Mik Powell


Director

The notes on pages 20 to 42 form part of these financial statements

National Film and Television School (The)

Cash flow statement for the year ended 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash inflow from operating activities	24		563,433		430,955
Returns on investments and servicing of finance					
Interest received			27,804		35,867
Interest paid			(20,418)		(22,305)
Interest paid on finance leases			(17,385)		(17,385)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(575,303)		(524,324)	
Receipts from sale of tangible fixed assets		4,733		9,134	
Purchase of investments and other transactions		(27,804)		(35,867)	
Cash realised from investments		396		32,484	
			(597,978)		(518,573)
Cash outflow before financing			(44,544)		(91,441)
Financing					
Bank loan drawdown			(157,104)		(157,104)
Decrease in cash	25,26		(201,648)		(248,545)

The notes on pages 20 to 42 form part of these financial statements

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013

1 Status of the School

The School is a company limited by guarantee and is a registered charity. Each member's liability is limited, upon winding up, to an amount not exceeding one pound.

2 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments (other than its subsidiary) which are included at market value. The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

Basis of consolidation

The company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the governors consider that the company's subsidiary may be excluded from consolidation on the basis that it is immaterial. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

(a) Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Funds are received as unrestricted funds and then transferred to designated funds when the Governors decide that the funds should be set aside for a particular purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and losses are allocated to the appropriate fund.

(b) Incoming resources

Voluntary income including donations, gifts, sponsorship, legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 (*continued*)

2 Principal accounting policies (*continued*)

(b) *Incoming resources (continued)*

Income from charitable activities includes income received under contract. Where entitlement to grant funding is subject to specific performance conditions being met, income is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support school activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when School fees or performance related grants are received in advance of the courses or event to which they relate.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Lottery income is recognised as income when the conditions for its receipt have been met.

Investment income is recognised on a receivable basis.

Legacies are recognised in accordance with practice note 11, in that they are accrued to the financial statements as soon as entitlement and valuation can be reasonably measured.

(c) *Resources expended*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources and headcount.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Charitable activities include expenditure associated with the running of the school and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Other resources expended include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.
- Other finance costs include pension costs.

(d) *In kind funding*

The School benefits from companies, organisations and individuals providing assets for use towards the running of the school without charge. During 2013 the School received assets worth £Nil (2012 - £Nil).

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

2 Principal accounting policies (*continued*)

(e) *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £1k are capitalised at cost.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets except freehold land, evenly over their estimated useful lives. It is calculated at the following rates:

Freehold land	-	Nil per year
Freehold land	-	Nil per year
Freehold buildings	-	over 20 years straight line
Teaching block	-	over 50 years straight line
Fixtures, fittings and office equipment	-	over 3 years straight line
Fixtures and fittings teaching block	-	over 10 years straight line
Plant, machinery, technical equipment	-	over 5 or 10 years straight line
Motor vehicles	-	over 4 years straight line

Depreciation is charged for a full year in the year of acquisition.

Revaluation of freehold land and buildings

Financial Reporting Standard 15 "Tangible Fixed Assets" requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this freehold land and buildings are subject to a full external valuation every five years.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

Assets under construction

No depreciation charge is charged until asset is ready for use.

(f) *Investments*

Investments are stated at their market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Under its Memorandum of Association the School has the power to invest the monies of the School not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

(g) *Irrecoverable VAT*

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(h) *Stock*

Stock consists of purchased goods for resale and future use. Stocks are valued at the lower of cost and net realisable value.

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 (*continued*)

2 Principal accounting policies (*continued*)

(i) Pension costs

The final salary pension scheme closed to accrual on 1 September 2006. The pension deficit on this scheme is being paid off over 18 years at a rate of £178k per annum, index linked (contribution in the year was £203k). All members of the final salary pension scheme were offered a group personal defined contribution pension scheme. All staff joining the School after 1 April 2001, are offered a group personal defined contribution (GPP) pension scheme.

Contributions to the charity's defined contribution pension scheme are charged to the statement of financial activity in the year in which they become payable.

(j) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

(k) Finance leases

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

(l) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All material differences are taken to the SOFA.

(m) Defined benefit pension scheme

The difference between the fair value of the assets held in the School's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected method are recognised in the School's balance sheet as a pension scheme asset or liability as appropriate. The annual surplus or deficit on the funding of the scheme is recognised as a "pension reserve surplus/(deficit)" within *unrestricted funds* - see also notes 21 and 23 to these financial statements.

The carrying value of any resulting pension scheme asset is restricted to the extent that the School is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by the charity are charged to the Statement of Financial Activities in accordance with FRS 17.

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

3	Voluntary income - grants and donations	2013	2012
		£	£
	<i>Key Partner Funders</i>		
	Department for Culture Media and Sport	2,788,749	2,868,732
	Independent Production Training Fund	-	-
	Higher Education Funding Council for England	201,858	257,218
	Scholarships - restricted fund	298,350	283,950
	Ingenious Media	50,000	50,000
		<hr/>	<hr/>
	Total voluntary income	3,338,957	3,459,900
		<hr/>	<hr/>
4	Incoming resources from generated funds	2013	2012
		£	£
	Fundraising events		
	- unrestricted funds	511,904	-
	- restricted funds	291,248	-
		<hr/>	<hr/>
5	Investment income	2013	2012
		£	£
	Interest receivable on fixed interest securities - designated funds	27,804	35,867
		<hr/>	<hr/>

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

6 Incoming resources from charitable activities	2013 £	2012 £
Operation of the Film and Television School:		
<i>Unrestricted funds:</i>		
Grants from platinum partner sponsors:		
Channel 4	300,000	241,000
Grants from key partner sponsors:		
British Broadcasting Corporation	-	450,000
Independent Television Companies	100,000	100,000
Film Distributors' Association (includes Warner Bros.)	150,000	100,000
Other – Warner Bros, Endemol & AllMedia 3	15,000	10,000
	<hr/> 565,000	<hr/> 901,000
Income/fees from courses and workshops	3,195,699	2,637,813
	<hr/>	<hr/>
Total unrestricted funds	3,760,699	3,538,813
<i>Designated funds:</i>		
Hardship fund	15,827	11,659
<i>Restricted funds:</i>		
Creative Skillset	927,665	867,991
British Broadcasting Corporation	250,000	-
BSkyB	150,000	150,000
David Lean Foundation	36,000	35,000
Income/fees from courses	100,798	102,510
Other donations	649,304	445,883
	<hr/> 2,113,767	<hr/> 1,601,384
Donations received from NFTS Foundation (see below*)	120,000	120,000
	<hr/>	<hr/>
Total restricted funds	2,233,767	1,721,384
	<hr/>	<hr/>
Other incoming resources (profit on sale of fixed assets)	4,733	9,134
	<hr/>	<hr/>
Total incoming resources from charitable activities	6,015,026	5,280,990
	<hr/>	<hr/>

* During the year, funds of £120k (2012 - £120k) were received from NFTS Foundation. The restricted donations represent £80k towards bursaries and curriculum costs, and £40k to fund a number of annual scholarships.

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

7 Employees

	2013 £	2012 £
Staff costs consist of:		
Wages and salaries	3,541,208	3,235,661
Social security costs	333,116	325,007
Pension and other costs		
- defined benefit scheme contributions	203,000	201,000
- defined contribution scheme contributions	200,352	195,301
- FRS 17 adjustments (see notes 9 and 10)	(203,000)	(201,000)
	<u>4,074,676</u>	<u>3,755,969</u>

Included within wages and salaries for the year is costs relating to complimentary tutors of £224k (2012 - £118k).

The number of employees whose emoluments fall within bands of £10k exceeding £60k, excluding pension contributions, was as follows:

	2013 Number	2012 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

In respect of staff paid over £60k there were contributions paid for the provision of defined contribution schemes and retirement benefits accruing under defined contribution schemes of £29k (2012 - £33k).

The average monthly number of employees (full time equivalent) during the year was as follows:

	2013 Number	2012 Number
Curricular activity, Short Courses @ NFTS	63	59
Fundraising	4	2
Marketing, registrar, personnel, and accounts	17	19
	<u>84</u>	<u>80</u>

8 Governors' emoluments

The School's Memorandum and Articles enable governors to be engaged as tutors. No governors received payments during the year (2012 - £Nil).

During the year, none of the governors received any reimbursement for meeting expenses (2012 - £Nil).

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

9 Resources expended

	Direct costs £	Support costs** £	Total 2013 £	Total 2012 £
<i>Costs of generated funds:</i>				
Fundraising costs	290,992	-	290,992	91,558
<i>Charitable expenditure:</i>				
Curricular activities*	6,328,074	3,193,471	9,521,545	8,570,217
Short Courses @ NFTS	247,077	96,945	344,022	306,933
	<hr/>	<hr/>	<hr/>	<hr/>
Costs incurred in the operation of the School	6,575,151	3,290,416	9,865,567	8,877,150
Governance costs	-	43,500	43,500	43,560
Other resources expended:				
Beaconsfield redevelopment	20,418	-	20,418	22,305
Pension costs	55,000	-	55,000	114,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	6,941,561	3,333,916	10,275,477	9,148,573
	<hr/>	<hr/>	<hr/>	<hr/>

* Curricular activities - see note 10 (page 29)

NOTE: Support costs **

	Curricular activities £	Short Courses @NFTS £	Governance costs £	Total 2013 £	Total 2012 £
Distribution costs	58,920	-	-	58,920	57,053
Marketing, personnel and accounts	1,192,188	36,872	-	1,229,060	795,471
Directorate	232,015	7,176	-	239,191	232,823
Premises	1,034,940	32,008	-	1,066,948	1,054,669
Depreciation	675,408	20,889	-	696,297	726,937
Audit fees	-	-	43,500	43,500	43,560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,193,471	96,945	43,500	3,333,916	2,910,513
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Support costs have been allocated between Curricular activities and Short Courses @ NFTS. Support costs are allocated on a basis consistent with the use of resources.

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 *(continued)*

9 Resources expended *(continued)*

The charge to resources expended within the Statement of Financial Activities "SOFA" for the financial year in respect of FRS 17 comprised the following:

	2013 £	2012 £
Curricular activities : staff costs (pension and other costs -note 7)		
Current service cost	-	-
Other finance costs: other direct costs		
Expected return on pension scheme assets	(325,000)	(272,000)
Interest on pension scheme liabilities	380,000	386,000
Past service cost	-	-
Net return	55,000	114,000
Total charge to resources expended in the SOFA	55,000	114,000

The total charge to resources expended in the year of £55k (2012 - £114k) has been offset by employer contributions paid over to the scheme trustees in the year which amounted to £203k (2012 - £201k). These contributions have been credited to curricular activities: staff costs "pension and other costs".

The "net" charge to resources expended in the SOFA in the year, amounted to a credit of £148k (2012 - £87k). In addition actuarial losses on the pension scheme of £356k (2012 - £158k) have been recognised in the SOFA in accordance with FRS 17.

The total movement in the pension scheme deficit during the year and recognised in the SOFA amounted to £208k (2012 - £71k).

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

10 Curricular activities

	2013 £	2012 £
Teaching department costs	1,462,517	1,452,580
Curriculum and productions	2,290,810	1,936,327
Curriculum planning and support	528,468	516,060
Accreditation	91,020	87,558
Student bursaries	365,785	331,250
Scholarships	336,350	324,950
Library	62,378	62,119
Production Support, Transport and Health & Safety	479,771	378,739
Engineering support	710,975	697,979
Support costs (includes FRS 17 employer contributions £203k)	3,193,470	2,782,655
	<u>9,521,544</u>	<u>8,570,217</u>

11 Net resources expended

	2013 £	2012 £
This is arrived at after charging/(crediting):		
Depreciation	696,297	726,937
Auditors' remuneration		
- audit services	43,500	43,560
- other services (pension, HEFCE HEI application and compliance audit)	14,250	43,140
Operating lease rentals - plant and equipment	61,035	65,044
Profit on sale of tangible fixed assets	(4,733)	(9,134)
	<u></u>	<u></u>

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

12 Tangible assets

	Freehold land and buildings £	Assets under construction	Oswald Morris Buildings £	Fixtures, fittings and office equipment £	Plant, machinery and technical equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>							
At beginning of year	5,100,000	-	6,900,000	859,929	3,156,845	26,848	16,043,622
Additions	-	45,250	-	302,121	227,932	-	575,303
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	(595,003)	-	(595,003)
At end of year	5,100,000	45,250	6,900,000	1,162,050	2,789,774	26,848	16,023,922
<i>Depreciation</i>							
At beginning of year	315,000	-	414,000	418,454	2,388,023	18,265	3,553,742
Provided for the year	105,000	-	138,000	114,158	333,874	5,265	696,297
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	(595,003)	-	(595,003)
At end of year	420,000	-	552,000	532,612	2,126,894	23,530	3,655,036
<i>Net book value</i>							
At 31 December 2013	4,680,000	45,250	6,348,000	629,438	662,880	3,318	12,368,886
At 31 December 2012	4,785,000	-	6,486,000	441,475	768,822	8,583	12,489,880

The Schools' freehold land and buildings were revalued on 2 November 2009 on the basis of Existing Use Value by external valuers, Drivers Jonas, Chartered Surveyors. This valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards. The Governors are not aware of any material changes since the valuation.

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 *(continued)*

12 Tangible assets *(continued)*

The net book value of fixed assets includes an amount of £61k (2012 - £92k) in respect of assets held under finance leases and assets under the course of construction of £45k relating to the Phase 2 development. The depreciation charged in the year on finance leases was £31k (2012 - £31k).

The surplus arising on revaluation of £2.28m in 2009 was credited to a land and buildings revaluation reserve, which is disclosed within designated funds (see also notes 1 and 20). All other tangible fixed assets are stated at historical cost.

The historical cost net book value of land and buildings is:

	2013 £	2012 £
Cost brought forward	302,009	302,009
Accumulated depreciation based on historical cost	(97,130)	(87,417)
	<hr/>	<hr/>
Historical cost net book value	204,879	214,592
	<hr/>	<hr/>

13 Fixed asset investments

	2013 £	2012 £
<i>Designated funds:</i>		
Cash deposits held on 1 January 2013	1,265,625	1,262,242
Investment income (interest)	27,804	35,867
Disposal of investments	(396)	(32,484)
	<hr/>	<hr/>
Cash deposits held on 31 December 2013	1,293,033	1,265,625
	<hr/>	<hr/>

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (*continued*)

14 Investment in subsidiary undertakings

	2013 £	2012 £
Cost at 1 January 2013 and 31 December 2013	2	2

Name	Country of or incorporation or registration %	Proportion of ordinary share capital held £	Share capital and reserves at 31 December 2013
NFTS Enterprises Limited	England and Wales	100%	2

During the year ended 31 December 2013 there was no trading activity through NFTS Enterprises Limited (2012 - profit £Nil).

15 Stocks

	2013 £	2012 £
Film and video stock, production and post-production consumables	20,428	19,811

There is no material difference between the replacement cost of stocks and the amounts stated above.

16 Debtors

	2013 £	2012 £
Trade debtors	1,695,580	1,506,167
Other debtors	6,728	128,580
Prepayments and accrued income	430,357	446,483
	2,132,665	2,081,230

All amounts shown under debtors fall due for payment within one year.

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 *(continued)*

17 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	196,222	267,646
Taxation and social security	94,052	215,547
Other creditors	52,032	27,837
Accruals and deferred income	3,804,869	3,453,034
Finance lease obligation	30,651	30,651
Loan capital repayments	157,104	157,104
	<u>4,334,930</u>	<u>4,151,819</u>

The movement on deferred income during the year has been analysed below:

Balance at 1 January 2013	3,229,943	2,622,795
Released to the SOFA	(3,202,242)	(2,666,847)
New sources of deferred income	3,553,695	3,273,995
	<u>3,581,396</u>	<u>3,229,943</u>

Deferred income mainly relates to invoiced student fees. This income is released when the students actually commence their courses.

18 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Bank loan (secured)	1,453,242	1,610,346
Finance lease obligation	44,130	74,781
	<u>1,497,372</u>	<u>1,685,127</u>

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 (continued)

18 Creditors: amounts falling due after more than one year (continued)

Maturity of debt

	Bank £	Finance leases £	Total 2013 £	Total 2012 £
In more than one year but not more than two years	157,104	30,651	187,755	187,755
In more than two years but not more than five years	628,416	13,479	641,895	672,546
In more than five years	667,722	-	667,722	824,826
	<u>1,453,242</u>	<u>44,130</u>	<u>1,497,372</u>	<u>1,685,127</u>

A £3m long term loan facility repayable over 17 years was arranged with Allied Irish Banks (GB) in March 2007. This required the NFTS to register a fixed charge on its freehold land and buildings as security for this loan facility. The loan balance outstanding (£1,610k) represents 23% of the cost of the new building. The interest rate charge on this loan during the year was 1.2%.

19 Related party transactions

A number of the governors for the School are also officers, employees or consultants with industry organisations, which have provided grants to the School during the year. All grant income which has been received from these industry bodies has been disclosed within the notes to the financial statements.

During the course of the year the School and NFTS Foundation entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to administer the scholarship programme, donations towards bursaries, and donations towards the running costs of the curriculum. At 31 December 2013 an amount of £Nil (2012 - £Nil) was owed by the NFTS Foundation to the School (see note 16). During the year NFTS Foundation made total donations to the School of £120k (2012 - £120k).

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 *(continued)*

20 Statement of funds

	At 1 January 2013 £	Income £	Expenditure £	Transfers £	At December 2013 £
Restricted funds					
Skillset grants and Curriculum	-	1,677,767	(1,677,767)	-	-
Bursaries and scholarships	-	298,350	(298,350)	-	-
David Lean Foundation	-	36,000	(36,000)	-	-
BSkyB	-	150,000	(150,000)	-	-
BBC	-	250,000	(250,000)	-	-
Phase 2 Development Fund	-	250,000	-	-	250,000
Sir Richard Attenborough Fund	-	41,248	-	-	41,248
Donations received from NFTS Foundation	-	120,000	(120,000)	-	-
Total restricted funds	-	2,823,365	(2,532,117)	-	291,248
Designated funds					
Beaconsfield redevelopment and investments (contingency)	3,804,292	27,804	(174,418)	(396)	3,657,282
Land and Buildings revaluation reserve	4,827,277	-	(105,000)	-	4,722,277
Hardship fund	166,424	15,827	-	(469)	181,782
Total designated funds	8,797,993	43,631	(279,418)	(865)	8,561,341
Unrestricted funds					
General funds	2,642,665	7,317,943	(7,611,942)	865	2,349,531
Pension reserve (deficit)	(2,654,000)	-	(208,000)	-	(2,862,000)
Total unrestricted funds	(11,335)	7,317,943	(7,819,942)	865	(512,469)
Total funds	8,786,658	10,184,939	(10,631,477)	-	8,340,120

The pension reserve (deficit) has been created within unrestricted funds in accordance with the SORP.

Total designated funds of £8.6m mainly represent the School's land and buildings fixed assets, revaluation reserve and cash investments. Designated funds form part of the overall unrestricted funds of the charity.

Total restricted funds of £291k include £250k from Garfield Weston towards the development costs of Phase 2 and £41k for the Sir Richard Attenborough Fund.

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

20 Statement of funds (continued)

The funds of £250k are towards the development costs of the NFTS Digital Village Phase 2.

Restricted funds are those with conditions on use set by the donor.

Designated funds are funds that have been set aside by the governors for premises refurbishment and for a student hardship fund.

General funds represent free funds not designated for particular purposes.

The land and buildings revaluation reserve arose as a result of a revaluation of freehold land and buildings during the year to 31 December 2009, as detailed in note 12 to the financial statements.

The pension reserve (deficit) has been created within unrestricted funds in accordance with the Statement of Recommended Practice "SORP".

Transfers between funds represent the movement of all funds on which restrictions have been met and the designation of all property assets including the related revaluation reserves. During the year £396 was withdrawn from the School's investments (see note 13).

21 Indemnity insurance

During the year, insurance costing £1k (2012 - £1k) was purchased to indemnify the governors and officers against default on their part.

22 Pension scheme

The charity's defined benefit pension scheme was established under an irrecoverable Deed of Trust for its employees. Trustees accountable to the pension scheme members manage the scheme. The scheme was closed to new members on 31 March 2000 and closed to accrual on 1 September 2006.

The full actuarial valuation has been updated by a qualified actuary to 31 December 2013 and the major assumptions used were as follows:

	2013 £'000	2012 £'000	2011 £'000
Rate of increase in salaries	N/A	N/A	N/a
Discount rate	4.60% p.a.	4.60% p.a.	4.90% p.a.
Inflation assumption	3.40% p.a.	3.00% p.a.	3.10% p.a.

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 *(continued)*

22 Pension scheme *(continued)*

The assets in the scheme and the expected rate of return at 31 December 2013 were:

	Long term rate of return expected At 31 December 2013	Value At 31 December 2013 £'000	Long term rate of return expected At 31 December 2012	Value At 31 December 2012 £'000	Long term rate of return expected At 31 December 2011	Value At 31 December 2011 £'000
Equities and property	8.0%	2,759	7.9%	2,579	7.0%	2,365
Bonds and Gilts	4.0%	3,066	3.2%	3,139	3.6%	3,048
Cash	0.5%	28	0.5%	38	0.5%	13
Total market value of assets		5,853		5,756		5,426
Present value of scheme liabilities		(8,715)		(8,410)		(8,009)
Net pension deficit on an FRS 17 basis		(2,862)		(2,654)		(2,583)

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 *(continued)*

22 Pension scheme *(continued)*

Overall expected rate of return on plan assets is based upon historical returns of the investment performance adjusted to reflect expectations of future long-term returns by asset class.

Prior to 1 September 2006 the charity contributed to the final salary scheme at the rate of 15.5% of pensionable salaries. The charity is now committed to paying £173k pa index linked for 15 years in order to clear the £2.65m deficit.

Movement in balance sheet deficit in the year under FRS 17:

	2013 £'000	2012 £'000	2011 £'000
Deficit in scheme at beginning of year	(2,654)	(2,583)	(2,215)
Current service cost	-	-	-
Other investment income	(55)	(114)	(68)
Actuarial losses	(356)	(158)	(493)
Contributions paid	203	201	193
Past service costs	-	-	-
	<hr/>	<hr/>	<hr/>
Deficit in scheme at end of year	(2,862)	(2,654)	(2,583)
	<hr/>	<hr/>	<hr/>

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

22 Pension scheme (continued)

Analysis of the amounts charged to resources expended within the Statement of Financial Activities under FRS 17:

	2013 £'000	2012 £'000	2011 £'000
<i>Operating charge:</i>			
Past service cost		-	(330)
<i>Other finance costs:</i>			
Expected return on pension scheme assets	(325)	(272)	(330)
Interest on pension scheme liabilities	380	386	398
Pension cost charged to the Statement of Financial Activities	<u>55</u>	<u>114</u>	<u>68</u>

Analysis of the actuarial gains and losses recognised in the Statement of Financial Activities under FRS 17:

	2013 £'000	2012 £'000	2011 £'000
Actual return less expected return on pension scheme assets	(149)	106	22
Experience gains and losses arising on the scheme liabilities	-	32	151
Changes in assumptions underlying the present value of the scheme liabilities	(207)	(296)	(666)
Actuarial loss recognised in the Statement of Financial Activities	<u>(356)</u>	<u>(158)</u>	<u>(493)</u>

History of experience gains and losses

Difference between the expected and actual return on scheme assets:

Amount (£'000)	(149)	106	22
Percentage of scheme assets	(3)%	2%	0%

Experience gains and losses on scheme liabilities:

Amount (£'000)	-	32	151
Percentage of the present value of the scheme liabilities	0%	0%	2%
Total amount recognised in the Statement of Finance Activities			
Amount (£'000)	(356)	(158)	(493)
Percentage of the present value of the scheme Liabilities	4%	2%	6%

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 *(continued)*

22 Pension scheme *(continued)*

Reconciliation of fair value of plan assets

	2013 £'000	2012 £'000
At the beginning of the year	5,756	5,426
Expected rate of return on plan assets	325	272
Actuarial loss	(149)	106
Contributions by company	203	201
Benefits paid	(282)	(249)
	<hr/>	<hr/>
At the end of the year	5,853	5,756
	<hr/>	<hr/>

Reconciliation of present value of plan liabilities

	2013 £'000	2012 £'000
At the beginning of the year	8,410	8,009
Interest cost	380	386
Actuarial loss	207	264
Benefits paid	(282)	(249)
	<hr/>	<hr/>
At the end of the year	8,715	8,410
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the SOFA for the last 5 years is (£2,518k)

National Film and Television School (The)

Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

23 Analysis of net assets between funds

Fund balances at 31 December 2013 are represented by:

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Tangible fixed assets	3,829,118	8,539,768	-	12,368,886	12,489,880
Investments	2	1,293,033	-	1,293,035	1,265,627
Current assets	2,899,471	181,782	291,248	3,372,501	3,522,097
Current liabilities	(4,334,930)	-	-	(4,334,930)	(4,151,819)
Long term liabilities	(44,130)	(1,453,242)	-	(1,497,372)	(1,685,127)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets excluding pension scheme liability	2,349,531	8,561,341	291,248	11,202,120	11,440,658
Defined pension scheme liability	(2,862,000)	-	-	(2,862,000)	(2,654,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net liabilities including pension scheme liability	(512,469)	8,561,341	291,248	8,340,120	(8,786,658)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

24 Reconciliation of net incoming resources to net cash inflow from operating activities

	2013 £	2012 £
Net outgoing incoming resources	(446,538)	(529,816)
Depreciation	696,297	726,937
Profit on sale of tangible fixed assets	(4,733)	(9,134)
Increase in pension liability	208,000	71,000
Increase in stocks	(617)	5,659
Increase in debtors	(51,435)	(533,729)
Increase in creditors	152,460	696,215
Investment income	(27,804)	(35,867)
Interest paid	20,418	22,305
Interest paid on finance leases	17,385	17,385
	<hr/>	<hr/>
Net cash inflow from operating activities	563,433	430,955
	<hr/>	<hr/>

National Film and Television School (The)

Notes forming part of the financial statements
for the year ended 31 December 2013 *(continued)*

25 Reconciliation of net cash flow to movements in net debt

	2013 £	2012 £
Change in net debt resulting from cash flows	(201,648)	(248,545)
Bank loan	157,104	157,104
Opening net debt	(346,394)	(254,953)
Closing net debt	<u>(390,938)</u>	<u>(346,394)</u>

26 Analysis of net debt

	At 1 January 2013 £	Cash flows £	At 31 December 2013 £
Cash at bank and in hand	1,421,056	(201,648)	1,219,408
Debt due after more than one year	(1,767,450)	157,104	(1,610,346)
Total	<u>(346,394)</u>	<u>(44,544)</u>	<u>(390,938)</u>

27 Commitments under operating leases

As at 31 December 2013, the School had annual commitments under non-cancellable operating leases as set out below:

	2013 Land and buildings £	2013 Other £	2012 Land and buildings £	2012 Other £
Operating leases which expire:				
Within one year	-	-	-	-
In two to five years	-	57,201	-	56,678
	<u>-</u>	<u>57,201</u>	<u>-</u>	<u>56,678</u>

Client Name:	The National Film and Television School
Document Name:	Summary of Misstatements

F/S Period End:	31-Dec-13
Document #:	5.03

Instructions	Error type	Balance Sheet		SOFA	
		Debit	Credit	Debit	Credit
1 Euro Debtor Balance translation	Factual Misstatement				
Dr Forex Loss				8,781	
Cr Debtors			8,781		
D100 Being: the difference in translation of the ledger between BDO and the client.					
2 Unaccrued Invoice	Projected Misstatement				
Dr Assets under construction		5,999			
Cr Accruals			5,999		
G200 Being: an unaccrued invoice for legal fees from Mills & Reeve relating to Phase 2 costs, pro-rated to the portion relating to 2013.					
3 Reallocate scholarship fees creditor	Factual Misstatement				
Dr Other Debtors		11,003			
Cr Other creditors			11,003		
E/L1 Being: reallocating creditor owing back to Elo Soode currently held in Other Debtors.					
4 Pension valuation	Judgemental Misstatement				
Dr Actuarial loss on defined benefit pension sche				90,000	
Cr Pension scheme liability			90,000		
M200 Being: the potential maximum increase in pension scheme liabilities based on a revised discount rate of 4.6%, on top of the £250,000 adjustment.					
5 Bad Debt Provision	Judgemental Misstatement				
Dr Bad Debt Expense				11,350	
Cr Bad Debt Provision			11,350		
D30 Being: the raising of a provision against potentially unrecoverable fees and scholarships in relation to Jake Rudge and Ionita Ciprian.					
6 Early termination leases	Factual Misstatement				
Dr Relevant expense				28,560	
Cr Accruals			28,560		
NN200 Being: Record accrual element of BNP Paribas-Samsung/Canon copiers finance leases relating to early termination.					
Total		17,002	155,693	138,691	
Cumulative effect, including tax, on Net Assets/(Liabilities)					
Cumulative effect, including tax, on (Profit)/Loss					